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ECC clears circular debt plan, paves way to wind up PHL

• Okays Rs960bn sovereign guarantee for Rs1.225tr loans from local banks • Says remittance incentives to be phased out with caution • Gas allocated to fertiliser sector; LNG cost adjustments cleared for tariffs

By Khaleeq Kiani

ISLAMABAD: The Economic Coordination Committee (ECC) of the Cabinet on Friday approved an inter-corporate circular debt settlement plan, including tariff rationalisation for all six operational nuclear power plants in line with other power producers, thus also paving the way to wind up Power Holding Ltd (PHL), a shell company created to park old circular debt.

The meeting of the ECC, presided over by Finance Minister Muhammad Aurangzeb, also approved about Rs960 billion in sovereign guarantees for Rs1.225 trillion in commercial loans from local banks for circular debt settlement and the diversion of gas for fertiliser plants.

As finalised by the military-led task force on power sector reforms in line with similar previous renegotiations with private and government-owned power plants earlier this year, the ECC approved a summary of the Power Division for "rationalisation of tariffs and payment adjustments for nuclear power plants (NPPs), government-owned power plants (GPPs), OGDCL and SNGPL", a statement said.

The ECC approved the memorandums of understanding (MOUs) with the Pakistan Atomic Energy Commission (PAEC) and authorised the Central Power Purchasing Agency (CPPA) of the Power Division "to execute negotiated settlement agreements based on these MoUs".

The meeting also authorised the CPPA and the commission to amend the relevant power purchase agreements of four key nuclear power plants, including four at Chashma (C1 to C4) and two at Karachi (K2 and K3), having a total capacity of about 3,500 megawatts.

The federal government would take over some of their financial contractual obligations, for which the ECC also approved a set of facilitation measures. Based on this, the PAEC will file separate tariff petitions for these six plants, in line with the debt adjustments agreed in the negotiated settlement agreements.

In most cases, the government has guaranteed some foreign supplier credits, while in other cases, it has extended cash development loans and charged significantly higher interest rates than the original borrowing cost.

The meeting also authorised the CPPA to pay outstanding liabilities of GPPs from funds available under the circular debt financing facility, worth Rs1.225tr, recently contracted with local banks.

The ECC approved PHL loan repayment of Rs23.6bn and a waiver of Rs119.5bn on late-payment interest receivables from the LNG-based GPPs at Bhikki, Balloki and Haveli Bahadur Shah. It also approved payment of the remaining balance due to OGDCL via the two Uch power plants of over 1,000MW combined.

The ECC also approved policy guidelines to the Oil and Gas Regulatory Authority under Section 21 of the Ogra Ordinance, enabling the incorporation of Rs22bn approved by the federal cabinet to include LNG cost of supply in the consumer tariff, subject to verification by auditors.

The Ministry of Finance said the decision would enhance financial sustainability, streamline payments, and reduce overall costs in the power sector.

Circular debt financing

The ECC approved another summary of the Power Division for the issuance of a government guarantee amounting to Rs659.67bn for circular debt financing of Rs1.225tr. The guarantee is intended for the settlement of Power Holding Limited's debt and overdue payments to independent power producers.

It authorised the Finance Division to issue a "letter of comfort", a document that assures one party to another about a potential or existing business or financial obligation.

The Power Division was directed to report back to the ECC on the timeframe for PHL's closure following the settlement of the debt issue.

The meeting also decided in principle to phase out incentive schemes for banks and exchange companies for channelling home remittances, subject to an appropriate timing, given the State Bank of Pakistan's warning that immediate action would severely affect healthy inflows.

The ECC also approved a proposal from the Ministry of National Food Security and Research to reallocate funds within the division. The approval allows the transfer of resources from the Inter-Provincial Coordination Division through a technical supplementary grant to support ongoing agricultural research initiatives.

A summary from the Ministry of Maritime Affairs on utilising Pakistan International Bulk Terminal at Port Qasim for handling and exporting copper-gold and other mineral commodities was deferred, with instructions to resubmit a clearer framework after stakeholder consultation.

The Ministry of Interior was granted Rs960 million to ensure timely disbursements to the transferred staff of the Pak Public Works Department for October 2025 to June 2026.

On a Petroleum Division proposal, the ECC approved allocation of about 220m cubic feet of gas from the Ghazij and Shawal fields, diversion from decommissioned/auctioned older plants, and pricing of Mari field gas to fertiliser units to ensure adequate, affordable fertiliser supplies on a structural basis.

A MAN poses next to the flying car 'A868', developed by Chinese electric car start-up Xpeng Motors, during a showroom tour in southern China's Guangdong province. The vehicle utilises a hybrid system with a range exceeding 500km, designed for multi-passenger long-distance travel, according to the company. The car, which can accommodate six passengers and achieves a maximum speed exceeding 360 km/h, is an eVTOL (electric Vertical Take-off and Landing), eliminating the need for a runway during take-off.—AFP

LHC orders crackdown on smoke-emitting vehicles

• Directs strict implementation and display of banners warning that high-emission automobiles will be impounded • Environment Protection Agency told to station officers with police at inter-city bus terminals and check vehicles on GT Road

By Wajih Ahmad Sheikh

LAHORE: The Lahore High Court (LHC) on Friday ordered the Punjab government to launch a rigorous campaign against smoke-emitting vehicles across the province in an effort to curb smog and air pollution.

"Whenever you go out, you see dozens of smoke-emitting vehicles on the roads," Justice Shahid Karim said while hearing a set of petitions related to smog and environmental pollution.

Justice Karim instructed authorities to run the campaign for at least two to three weeks and ensure strict implementation. He observed that vehicles travelling from Lahore to Karachi, in particular, were contributing to pollution.

Officials from the Environment Protection Agency (EPA), the Parks and Horticulture Authority (PHA) and other departments also appeared before the court during the hearing.

However, the judge expressed his displeasure over the absence of a director-level officer from the EPA, despite clear instructions at the previous hearing.

Taking exception to the pollution caused by vehicles, Justice Karim directed the EPA to display banners across Lahore warning commuters that smoke-emitting vehicles would be impounded.

The EPA official informed the court that such banners had already been placed around the city.

At this, the judge ordered the agency to depute its officers, along with police personnel, at inter-city bus terminals.

He also inquired whether vehicles passing through motorway toll plazas were being inspected and ordered officials to ensure strict checking of vehicles plying on the GT Road from Lahore to Multan.

Justice Karim regretted that if the court's previous orders had been implemented in letter and spirit, Lahore's condition would have been different.

He directed authorities to "take action against anyone responsible for spreading pollution."

The judge also instructed the Punjab government's law officer to arrange a joint meeting of the Environment Department, the Chief Traffic Officer, and the Transport Department.

Old tyres seized

Earlier, an EPA officer informed the court that at least 60 tonnes of old tyres had been seized from plants in South Punjab and other cities.

Separately, Wasa's legal adviser submitted a report regarding the projects completed by the agency, stating that now the Lahore Development Authority (LDA) had to carry out its part of the work.

The judge directed the Wasa to coordinate with the LDA to ensure completion of the projects.

Further hearing of the case will resume on Nov 10.

Earlier, on Monday, the LHC had expressed its displeasure at the city administration's lack of action to counter smog and pollution, questioning the use of anti-smog guns and the cutting of trees in the metropolis.

Justice Karim clarified that the proceedings were not meant to target anyone but to guide and assist the government in addressing environmental issues.

Jakarta mosque blasts leave over 50 injured

Nature of explosions remains a mystery; 'teenage suspect' undergoing surgery

JAKARTA: Explosions at a mosque in Indonesia's capital during Friday prayers injured dozens of people, with officials indicating the blasts could have been an attack, with a 17-year-old student as the suspected perpetrator.

Police said at least 54 people were taken to hospitals with multiple injuries, including burns, following explosions at the mosque inside a school complex in the city's Kelapa Gading area.

Although it wasn't immediately clear what caused them, Deputy Chief Security Minister Lodewijk Freidrich Paulus said there were two explosions.

National police chief Listyo Sigit Prabowo said the suspect was a student, who was injured and undergoing surgery.

"Regarding the motive, we are currently investigating various kinds of information," Mr Listyo said at a news conference.

Mr Paulus, however, urged the public to not rush to judgement. "Don't jump to the conclusion that this is a terrorist act," Lodewijk was quoted as saying by the *Antara* state news agency, saying a probe was underway.

He said the explosions took place at the back of the mosque on the school campus and near its door.

Investigators including bomb squad technicians were processing the scene on the school campus, and an AFP journalist saw plastic evidence bags on prayer rugs.

Luciana, 43, who was working at the school canteen at the time, described multiple blasts, broken windows and panic as dozens fled the complex.

"I thought it was an electrical wiring problem, or the sound system exploded, but we didn't know exactly what it was because we ran out just as a white smoke billowed from the mosque," she said.

"We have identified the suspected perpetrator, and we are currently investigating the perpetrator's identity, his environment, including his home and other things," Mr Prabowo said.

Police found a "toy weapon" with inscriptions on it at the scene, the presidential palace said.—Reuters

JOURNALISTS gather at the site of blast, that injured dozens of people, near a school in Jakarta.—AFP

India assailed at UN for setting 'water war' precedent

Pakistani envoy says New Delhi's unilateral move undermines international water law, endangers millions dependent on Indus basin

UNITED NATIONS: A senior Pakistani diplomat voiced deep concern over the deliberate weaponisation of shared natural resources, i.e. the Indus waters, saying that such acts set a bad global precedent.

Referring to India's unilateral suspension of the Indus Waters Treaty earlier this year, Ambassador Asim Iftikhar Ahmad said: "Such acts do not just harm one country; they weaken confidence in international water law and set a precedent for resource-based coercion elsewhere".

India had suspended the World Bank-mediated treaty governing water sharing of six rivers in the Indus basin between the two countries after the Pahalgam incident in April.

In a wide-ranging discussion on climate and security, the Pakistani envoy called India's unilateral action a "textbook example "of the deliberate weaponisation of shared natural resources".

"For more than six decades," Ambassador Ahmad said, "This Treaty has stood as a model of cooperation, ensuring equitable and predictable sharing of the Indus Basin's waters between Pakistan and India, even in times of war."

"India's unlawful and unilateral decision to suspend this framework undermines the letter and spirit of the treaty, disrupts data-sharing, and endangers the lives of millions who depend on the Indus River water system for food and energy security, for their very survival," he added.

"This should be of grave concern for every member of this Council and for the international community as a whole."

Pointing out that no provision of the Indus Waters Treaty permits unilateral suspension or modification, the Pakistani envoy said the Court of Arbitrations 2025 award reaffirmed the continuing validity of the treaty and its dispute-settlement mechanisms, upholding Pakistan's position that all issues must be resolved within its legal framework.

"We therefore expect full respect for the treaty and an early return to compliance and normal functioning through the established channels", he emphasised.

The Council's debate coincided with the International Day for Preventing the Exploitation of the Environment in War and Armed Conflict.

To address the environmental impacts of armed conflict and climate-driven security risks, Ambassador Ahmad called for a greater focus on conflict prevention and early resolution.

He proposed integrating environmental measures into UN peace missions, noting Pakistan's peacekeeping contributions and urging their inclusion in planning and mandates.

The Pakistani envoy stressed adherence to international humanitarian law, urging protection of civilians and the environment during conflicts. He also urged stronger coordination across the UN system and related bodies.—APP

US, Iran signal possible talks but remain at odds over nukes

• Trump claims Tehran has requested sanctions relief and says he is 'open' to discussions • Pezeshkian insists Iran seeks peace, but will not be 'coerced' into abandoning its nuclear and missile programmes

WASHINGTON: President Donald Trump said on Thursday that Iran has asked for heavy US sanctions to be lifted and that he is open to discussing it, drawing a reply from Iranian President Masoud Pezeshkian, who said Iran seeks peace but will not be coerced into abandoning its defence programmes.

The exchange of statements signals a potential, yet deeply contentious, diplomatic path following a recent military confrontation that derailed prior nuclear negotiations between the two nations.

"Frankly, Iran has been asking if the sanctions could be lifted," Trump said during a dinner with Central Asian leaders. "Iran has got very heavy US sanctions, and it makes it really hard."

"I'm open to hearing that, and we'll see what happens, but I would be open to it," he added.

Trump's remarks come as Tehran reels from years of international sanctions, particularly after the US unilaterally withdrew from an international nuclear accord in 2018 and reimposed tough punitive measures.

In Tehran, President Pezeshkian responded on Friday with a firm declaration of Iran's position, according to state media. He said that while his country is willing to engage in dialogue, it will not negotiate away its fundamental rights to a nuclear progamme and a defensive missile arsenal.

"We are willing to hold talks under international frameworks, but not if they say you can't have a [nuclear] science, or the right to defend yourself [with missiles] or else we will bomb you," Mr Pezeshkian said. "We want to live in this world in peace and security, but not be humiliated, and it is not acceptable that they impose upon us whatever they want and we just serve them."

These diplomatic overtures are set against the backdrop of a recent and volatile conflict.

In mid-June, Israel launched an unprecedented bombing campaign against Iran, triggering a 12-day war that briefly saw the United States join with strikes on Iranian nuclear sites.

The war, which prompted an Iranian response with missile and drone strikes, derailed nuclear talks between Tehran and Washington which had begun in April.

The Republican president, who returned to office in January, has repeatedly claimed the strikes obliterated Iran's nuclear progamme.

"Iran had once been the bully of the Middle East," Trump said, adding that it no longer had the "possibility of nuclear weapons." The full extent of the damage from the strikes remains unknown.

Western countries, including the United States, have long accused Iran of seeking to acquire atomic weapons. Iran insists its nuclear progamme is for peaceful energy purposes.

Adding to the economic pressure, the United Nations in September reinstated sanctions against Tehran under the "snapback" mechanism after Britain, France and Germany triggered the process. Those measures bar dealings linked to the Tehran's nuclear and ballistic missile activities.

President Pezeshkian decried what he called a double standard, stating, "They supply arms to Israel while they tell us not to have missiles for defence, then they bomb us whenever they want."

Iran has repeatedly dismissed the possibility of negotiations over its defensive capabilities, including its missile progamme, which it says is crucial for national security.

Israel sees Iran as an existential threat. But Iran says its ballistic missiles, with a range of up to 2,000 kilometres, are an important deterrent and retaliatory force in the event of any adverse situation. It denies seeking nuclear weapons.

Oman, which has hosted several rounds of US-Iran nuclear talks, has called on both sides to return to negotiations.

The talks had aimed for a new agreement that would curb Iran's nuclear activities in return for sanctions relief. Prior to the war, Tehran and Washington held five rounds of such talks.—Agencies

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